

The Alliance of Automobile Manufacturers, a trade association of eleven car and light-truck manufacturers, strongly encourages you to oppose the implementation of California's Low Emissions Vehicle Program (CA LEV) in Montana.

The Alliance strongly supports the Energy Independence and Security Act of 2007 (EISA) – a comprehensive and aggressive federal response to the climate change issue. The legislation calls for an unprecedented minimum 40 percent increase in Corporate Average Fuel Economy (CAFE) standards by 2020, resulting in a minimum 30 percent reduction in CO₂ emissions.

In April 2008, the National Highway Traffic Safety Administration (NHTSA) responded to EISA and released its proposal for national fuel economy standards through 2015. At a 4.5 percent annual increase in fuel economy over a five year period, the proposal far exceeds the 3.3 percent proposed by Congress and sets more stringent fuel economy standards than California in model years 2011, and then again in 2013 – 2015.

President Obama recently directed the Department of Transportation and NHTSA to quickly finalize the new CAFE standards for model year 2011 and to initiate a thorough review of the proposed standards for subsequent model years to ensure all comments and considerations are accurately reflected. Calling this pending rule a, "down payment on a broader and sustained effort to reduce our dependence on foreign oil," the Alliance shares President Obama's urgency in finalizing these standards.

In the wake of recent federal activity pertaining to both state and national fuel economy standards, the Alliance believes that implementation of CA LEV is the wrong public policy choice for Montana for the following reasons:

- In light of the federal government's adoption of a strong national fuel economy program, EPA denied California's request to implement its own fuel economy regulations as part of the existing CA LEV program in 2008. This action prohibits California and all other states from implementing California's proposed fuel economy regulations at this time.
- President Obama recently directed EPA to review its decision on California's waiver request; however the outcome of that review remains in question. The President's assurance that he's seeking a "comprehensive approach that makes our economy stronger and our nation more secure," positively reflects the auto industry's position that EISA is the appropriate mechanism to regulate transportation sector greenhouse gases, not the California standards.
- Until a resolution is reached on the California waiver, states that adopt CA LEV will only be able to implement its smog and ozone forming emissions programs that provide no environmental benefit above and beyond the existing federal emissions program.
- In litigation over the proposed California fuel economy standards, large volume manufacturers stated *under oath* that compliance with the regulation is not technically feasible absent product restrictions.
- Significant reductions in vehicle choice will disproportionately impact Montana because of its unique market. Montana favors light trucks and SUVs with a sales mix of approximately 66 percent trucks and 34 percent cars. In comparison, California has a sales mix of approximately 46/54 respectively. Consumer choice, specifically in reference to the availability of light trucks and SUVs that Montana residents like to drive, will be severely limited.
- CA LEV is a California program designed by California legislators and regulators – none of whom are accountable to Montana or its residents. By adopting the standards, Montana is effectively ceding its authority to a state that is vastly different and tying itself to all future regulatory changes that California makes.

We urge you and your fellow decision makers to oppose CA LEV!

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